

Message Text

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ACTION AGRE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 EB-08 /034 W
-----078525 221555Z /47

R 221508Z MAY 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 1864
INFO ALL EC CAPITALS
USMISSION GENEVA

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USEEC ALSO FOR EMBASSY, USMTN ALSO FOR USMISSION

PASS AGRICULTURE FOR ADMINISTRATOR HUGHES/FAS

E.O. 11652:N/A
TAGS: EAGR/FR
SUBJECT: NATIONAL SOYBEAN PROCESSORS ASSOCIATION (NSPA)
TEAM PARIS MAY 9

REF: A. FASTO CIRC. 168; B. TOFAS 212; C. FASTO CIRC.
183.

1. SUMMARY: REF. A. INSTRUCTED AGATT TO ASSIST PREPARING
NSPA/FRENCH TRADE MEETING, PARIS MAY 9. AFTER URGENT
TELEPHONE CAMPAIGN BY AMERICAN SOYBEAN ASSOCIATION
(ASA) PARIS (REF. B & C) ATTENDANCE WAS 20 FRENCH
INDUSTRY REPRESENTATIVES FROM PRIVATE FEED COMPOUNDERS,
COOP FEED COMPOUNDERS, ASSOCIATIONS, RESEARCH,& BROKERS.
THOROUGH EXPLANATIONS BY NSPA TEAM ON MOST ISSUES (WITH
EXCEPTION OF NEW CONTRACT) WERE WELL RECEIVED BY
FRENCH GUESTS. EMBASSY AND ASA REPRESENTATIVES ATTENDED
AS OBSERVERS ONLY.

2. QUALITY VARIABILITY: NSPA TEAM EXPLAINED DIFFERENCE
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BETWEEN US MEAL CRUSHERS' TWO STANDARDS (44 PERCENT
PROTEIN PLUS 7 PERCENT FIBER OR 50 PERCENT PRO-FAT
PLUS 3.3 PERCENT FIBER) AND NUMEROUS STANDARDS TRADED
INTERNATIONALLY. TEAM SUGGESTED THAT VARIABILITY WOULD
DISAPPEAR IF TRADE USED ONLY TWO CRUSHING STANDARDS.
BLENDING (INCLUDING HULLS) TO ACHIEVE EIGHT OR MORE
EUROPEAN STANDARDS CREATES INCREASED POSSIBILITY OF

VARIABILITY AND SUBSTANDARD PRODUCT. SEVERAL FRENCH HAD SUGGESTED THAT BRAZIL'S ADVANTAGE OVER US WAS NO VARIABILITY BECAUSE OF PELLETS AND SIMPLICITY BECAUSE ONLY 1 GRADE. FRENCH TENTATIVELY INDICATED THAT TWO US GRADES ALONE MIGHT BE ADEQUATE.

3. DISAPPEARANCE OF TRUE 50 PERCENT PROTEIN MEAL:

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TEAM EXPLAINED REDUCTION IN PROTEIN CONTENT OF HIGH-PRO MEAL AS A FUNCTION OF SEVERAL SEASONS OF BAD WEATHER RATHER THAN ANY NEW SOYBEAN VARIETIES INHERENTLY LOWER IN PROTEIN.

4. PRICE COMPETITIVENESS: NSPA ASSERTED THAT US MEAL WOULD BE MORE COMPETITIVE IF BRAZIL EXPORT TAX SYSTEM DID NOT YIELD AN EFFECTIVE SUBSIDY TO MEAL. AT ANY RATE US MEAL WILL BE COMPETITIVE OCT. 78-MARCH 79 BECAUSE OF BRAZIL SHORTFALL.

5. GAFTA 100 CONTRACT: TEAM MEMBERS INDICATED POSSIBILITY OF TRADING MEAL WITH STIFFER PENALTY CLAUSE BUT CAUTIONED THAT IT WOULD RESULT IN SOMEWHAT HIGHER PRICE. TEAM HAD NOT REACHED POSITION ON ADOPTING FEFAC CONTRACT.

6. PELLETIZATION OF US MEAL : TEAM MEMBERS HAD

CONDUCTED MARKET STUDY AND NOT FOUND ENOUGH INTEREST.
HOWEVER, THEY INDICATED THAT IT IS POSSIBLE. AUDIENCE
INDICATED PELLETS ARE NO PROBLEM EVEN FOR ONFARM USE.
7. COMMENTS: TEAM WAS VERY WELL INFORMED, OPEN AND
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DIRECT IN RESPONSE TO QUESTIONS, AND MOST EFFECTIVE IN
DEFENDING NSPA INTERESTS. ONLY MINOR CRITICISM WAS
SLIGHT TENDENCY TO BLAME OTHER SEGMENTS OF US INDUSTRY
FOR PROBLEMS. IT SHOULD BE REMEMBERED, HOWEVER, THAT
FRENCH AND OTHER IMPORTERS BASE JUDGMENTS UPON THE
ENTIRE DELIVERY SYSTEM OF RESPECTIVE SUPPLIERS. FOR
FOLLOW-UP, TEAM ADVISED FRENCH AUDIENCE THEY WOULD HEAR
DIRECTLY FROM NSPA.

NSPA TEAM CONVEYED FAVORABLE IMPRESSION OF PROGRESS
BEING MADE. SINCE THIS IS THE SECOND MEETING OF THIS
TYPE WITH FRENCH TRADE THE BALL IS IN OUR COURT MORE
CLEARLY THAN EVER.
HARTMAN.

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Message Attributes

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